

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

OPERATIONS AND CAPITAL COMMITTEE

WEDNESDAY, AUGUST 15, 2007

2:30 P.M.

IN THE MARY BRENNAN BOARD ROOM,

T. F. GREEN AIRPORT

2000 POST ROAD, WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (“Corporation”) Operations and Capital Committee was called to order by Chairman, James Forte, at 2:30 p.m., in the Mary Brennan Board Room at T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

COMMITTEE MEMBERS PRESENT: James Forte; Robert Sangster; Joseph Cianciolo; Michael Traficante (arrived at 2:45 pm); Don Pillsbury (Ex-Officio Member – arrived at 2:35 pm).

BOARD MEMBERS PRESENT: Kathleen Hittner, M.D., Russell Hahn.

ALSO PRESENT: Mark P. Brewer, A.A.E., President and CEO; Marci A. Greenberger, A.A.E., Senior Vice President of Operations and Maintenance; Brian Schattle, Senior Vice President of Finance and CFO; Peter Frazier, General Counsel; and those individuals listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

Mr. Sangster moved that the minutes of the Operations and Capital Committee Meeting of July 18, 2007 be approved. Mr. Cianciolo seconded the motion. The motion was passed unanimously.

2. Report from Chair, Operations and Capital Committee:

Mr. Forte welcomed Mr. Russell Hahn to the meeting. Mr. Hahn was appointed to the Board on July 12, 2007 by Governor Carcieri.

Mr. Forte reported that he had signed the following change orders:

Skanska PVD – Terminal Security Revise East Concessions Area – (reimbursed by HMS Host) \$ 60,000.00

PB Americas PVD – Taxiway F Provide Construction Oversight Services \$ 52,979.26

3. Report from Senior Vice President of Operations and Maintenance:

Ms. Greenberger gave an update on the fuel farm project.

Ms. Greenberger reported that IRAM has started to monitor the exit lanes near the bypass ramps.

Ms. Greenberger reported that FedEx and the MS Society Aircraft Pull is scheduled for Saturday, August 18, 2007 in front of the old fire

station on the Northwest Ramp.

Ms. Greenberger reported that recruitment has started for the Deputy Fire Chief position.

Ms. Greenberger reported that the new Airfield Maintenance Facility is getting close to completion. The Snow Removal Equipment (SRE) portion of the building has been turned over to RIAC and relocation of the equipment has started.

Mr. Forte noted that there had been a change to the order of items on the agenda.

4. Discussion Item:

(a) Presentation on Development of Quonset Business Park and Quonset State Airport.

Mr. Steve King, representing the Quonset Development Corporation (QDC), gave an overview of the proposed MOU with Island Global Yachting Acquisition Ltd (Island Global) in relation to the development of the Quonset Business Park. Mr. King explained that the QDC had issued a Request for Proposals for this development and had received a proposal from Island Global. Mr. King reported that the intent is to negotiate and execute a Memorandum of Understanding among the QDC and Island Global to serve as an outline of the business terms regarding the leasing and development by Island Global of 43 +/- acres of Davisville Waterfront District and 32 +/- acres of Quonset State Airport. A representative from Island Global gave the Board an overview of Island Global's services.

5. General Aviation Report:

Mr. Tibbetts gave an overview of the GA monthly Operations Report,

noting that fuel sales were good. Mr. Tibbetts gave a brief construction update. Mr. Tibbetts noted that at the last meeting he had reported that he was working with a foreign government representative on arrangements to house a foreign dignitary aircraft at Quonset for 20 days as there was no room for the 747 aircraft at Dulles Airport. Mr. Tibbetts noted that this arrangement did not come to fruition as space was eventually found at Dulles. There was general discussion of the infrastructure needed at the GA airports to provide these types of services.

6. Discussion Item:

(a) Discussion of North Central Airport Easements and Part 77.

There was a brief status report of this project.

7. Action Items:

(a) Consideration of and Action Upon Approval to Negotiate and Enter into a Memorandum of Understanding for the Development of Quonset Business Park and Quonset State Airport.

Mr. Schattle gave an overview of the proposed terms of the MOU. The recommendation is that the Committee authorize the President and CEO, or his designee, to negotiate and execute a Memorandum of Understanding with the Quonset Development Corporation and Island Global Yachting Acquisition Ltd., to serve as an outline of the business terms regarding the leasing and development by Island Global of 43 +/- acres of Davisville Waterfront District and 32 +/- acres of Quonset State Airport, subject to Board approval.

A motion was made by Mr. Sangster and seconded by Mr. Cianciolo to approve the following resolution:

WHEREAS, the Quonset Development Corporation (QDC) issued a Request for Proposals (RFP) in October 2006 for the development of Quonset Business Park and received a proposal from Island Global Acquisition Ltd. (Island Global); and

WHEREAS, as part of the Island Global proposal a portion of Airport Property was identified for potential development; and

WHEREAS, RIAC staff, the QDC and Island Global have determined the need to enter into a Memorandum of Understanding (MOU) to serve as an outline of the business terms regarding the leasing and development by Island Global of 43 +/- acres of Davisville Waterfront District and 32 +/- acres of Quonset State Airport currently classified as non-aviation use; and

WHEREAS, the only binding sections of the MOU will pertain to exclusivity and deposit; and

WHEREAS, in consideration of the execution of an MOU and the posting of a deposit (currently being negotiated) from Island Global, the QDC and RIAC will agree not to make, accept, negotiate or entertain any other offers for sale, purchase, lease or financing of all or any portion of the designated property; and

WHEREAS, the MOU will constitute a statement of the present material intentions of the parties, and except as related to exclusivity

and Island Global's deposit as to which the parties intend to be legally bound, the MOU is not intended to be legally binding on any party; and

WHEREAS, until the parties execute definitive documentation in the form of a Development Agreement for the project any of QDC, RIAC or Island Global may, in their sole and absolute discretion, terminate discussions with respect to the project, for any reason or for no reason, without liability to any other party.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the President and CEO, or his designee, to negotiate and execute a Memorandum of Understanding with the Quonset Development Corporation and Island Global Yachting Acquisition Ltd. to serve as an outline of the business terms regarding the leasing and development by Island Global of 43 +/- acres of Davisville Waterfront District and 32 +/- acres of Quonset State Airport, subject to Board approval.

The motion was passed unanimously.

(b) Consideration of and Action Upon Amendment to the Procurement Rules.

Mr. Frazier gave an overview of the amendment. The

recommendation is that the Committee approve an amendment to the Procurement Rules that would replace Rule 9.10, which addresses the solicitation methodology for securing contracting management services, with new rules. There was general discussion of the amendment.

A motion was made by Mr. Sangster and seconded by Mr. Cianciolo to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (“RIAC”) has adopted Procurement Rules that are based upon the State Purchasing Regulations issued pursuant to Rhode Island General Laws § 37-2-39; and

WHEREAS, Rule 9.10 of the RIAC Procurement Rules addresses the solicitation methodology for securing construction contracting management services; and

WHEREAS, the State of Rhode Island is in the process of updating and amending the State Purchasing Regulations with respect to construction contracting management by promulgating new State Purchasing Regulations 8.11.1, 8.11.2, and 8.11.3; and

WHEREAS, the Board of Directors deems it to be in the best interest of RIAC to also update and amend the RIAC Procurement Rules to replace Rule 9.10 with new Rules 9.10.1, 9.10.2, and 9.10.3, so as to conform these Procurement Rules to the new State Purchasing

Regulations 8.11.1, 8.11.2, and 8.11.3; and

WHEREAS, the proposed amendment must be promulgated in compliance with the Rhode Island Administrative Procedures Act (the “APA”).

NOW, THEREFORE, IT IS HEREBY RESOLVED:

1. That the Committee hereby approves an amendment to the Procurement Rules, substantially in the form attached hereto, that would replace Rule 9.10 with new Rules 9.10.1, 9.10.2, and 9.10.3 in the form presented, subject to the approval of the Board; and

2. That the President and officers of RIAC are hereby authorized and directed to give public notice of the opportunity to submit comments orally and/or in writing on such proposed amendment and thereafter to transmit the proposed amendment to the Office of the Rhode Island Secretary of State in order for the amendment to become effective twenty (20) days thereafter.

3. That the President and officers of RIAC are hereby authorized and directed to take any and all other action which any one of them, acting singly, deems necessary or advisable in order to effectuate the purposes of these resolutions.

The motion was passed unanimously.

(c) Consideration of and Action Upon Approval to Extend the Agreement for an Interim Air Monitoring System at T. F. Green Airport.

Ms. Pope gave an overview of the agreement. The recommendation is that the Committee authorize the President and CEO, or his designee, to extend the agreement with R.I. Analytical for air quality consulting and sampling services related to the interim air monitoring system at T. F Green Airport to include the period from October through December 2007, subject to Board approval. It was noted that the Corporation is in compliance with the air monitoring legislation.

A motion was made by Mr. Sangster and seconded by Mr. Cianciolo to approve the following resolution:

WHEREAS, current legislation requires that the Rhode Island Airport Corporation (RIAC) provide an air monitoring system at T. F. Green Airport; and

WHEREAS, while developing the scope of the permanent air monitoring system RIAC has been utilizing an interim system provided by R.I. Analytical Laboratories, Inc. (R.I. Analytical) since April 2007; and

WHEREAS, R.I. Analytical is an approved vendor listed in the State's Master Price Agreement (MPA) for laboratory services; and

WHEREAS, the original agreement in an amount not-to-exceed \$173,340 was projected to run from April 26, 2007 through September 2007; and

WHEREAS, funding for this interim system is included in the approved Fiscal Year 2008 Operating and Maintenance (O&M) Budget through September 2007; and

WHEREAS, the interim testing process needs to be extended to December 2007 to allow the development of a formal Work Plan for permanent Air Monitoring in cooperation with the Rhode Island Department of Environmental Management (DEM), the Rhode Island Department of Health (DOH) and other interested parties as a result of legislative action; and

WHEREAS, extended services from October through December 2007 are not budgeted; and

WHEREAS, a scope and fee proposal has been received from R.I. Analytical in an amount not-to-exceed \$144,990 for the months of October through December 2007.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the President and CEO, or his

designee, to extend the agreement with R.I. Analytical for air quality consulting and sampling services related to the interim air monitoring system at T. F. Green Airport to include the period from October through December 2007 in an amount not-to-exceed \$144,990, subject to Board approval.

The motion was passed unanimously.

(d) Consideration of and Action Upon Approval of a Construction Contract Amendment for the New Airfield Maintenance Facility at T. F. Green Airport.

Mr. Shihadeh gave an overview of the amendment. The recommendation is that the Committee authorize the President and CEO, or his designee, to execute a Construction Contract Amendment with H.V. Collins to construct a Disaster Recovery Room in the new Airfield Maintenance Facility at T. F. Green Airport, subject to Board approval.

A motion was made by Mr. Cianciolo and seconded by Mr. Sangster to approve the following resolution:

WHEREAS, on September 29, 2005, the Board of Directors of the Rhode Island Airport Corporation (RIAC) authorized RIAC to enter into a Construction Contract Agreement with H V Collins to perform construction services associated with the Airfield Maintenance

Facility; and

WHEREAS, RIAC staff recommends that a Disaster Recovery Room be included on the second floor of the new Airfield Maintenance Facility to restore RIAC's computer system in the event of an emergency in a timely manner; and

WHEREAS, RIAC has received a scope and fee from H.V. Collins to furnish labor and material to construct a Disaster Recover Room in the amount of \$139,836; and

WHEREAS, this project is included in the Fiscal Year 2008 Capital Improvement Program budget in the amount of \$18,043,761 to be funded through proceeds from the 2000 and 2005 Airport Revenue Bonds.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the President and CEO, or his designee, to execute a Construction Contract Amendment with H.V. Collins to construct a Disaster Recovery Room in the new Airfield Maintenance Facility at T. F. Green Airport in the amount of \$139,836, subject to Board approval.

The motion was passed unanimously.

8. Executive Session:

(a) Investment of Public Funds Where Premature Disclosure Would be Detrimental to the Public Interest (T. F. Green Airport FBO and Fuel Farm) – R.I.G. L. § 42-46- 5(a)(7).

At approximately 2:55 p.m., a motion was made by Mr. Cianciolo and seconded by Mr. Sangster to go into Executive Session. By the following roll call vote the motion was passed unanimously:

YEAS: James Forte

Robert D. Sangster

Joseph Cianciolo

Michael Traficante

NAYS: None

ABSTAIN: None

At approximately 3:13 p.m., a motion was made by Mr. Cianciolo and seconded by Mr. Sangster to reconvene to the Open Session. The motion was passed unanimously.

9. Future Meetings:

The next Operations and Capital Committee Meeting is scheduled for

Wednesday, September 19, 2007 at 1:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island.

10. Adjournment:

Mr. Cianciolo moved to adjourn at approximately 3:14 p.m. Mr. Traficante seconded the motion. The motion was carried by acclamation.

Respectfully submitted,

James Forte, Chairman

Rhode Island Airport Corporation

Operations and Capital Committee

ATTENDANCE SHEET

RHODE ISLAND AIRPORT CORPORATION

OPERATIONS AND CAPITAL COMMITTEE MEETING

AUGUST 15, 2007

NAME	AFFILIATION
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Doug Dansereau RIAC

Patti Goldstein RIAC

Bruce Wilde RIAC

Brenda Pope RIAC

Jason Doyle RIAC

Ahmed Shihadeh RIAC

Steve Tibbetts Landmark Aviation

Steven King QDC

Gerald Lavallee CB Richard Ellis

Benjamin Jaden Providence Journal

Michael Zaram Citizen

Sue Pillsbury RIPA

Robert Goff New England Parking

**MINUTES OF THE EXECUTIVE SESSION
OF THE RHODE ISLAND AIRPORT CORPORATION
OPERATIONS AND CAPITAL COMMITTEE
ON AUGUST 15, 2007**

1. At approximately 2:55 p.m., a motion was made by Mr. Cianciolo and seconded by Mr. Sangster to go into Executive Session. The motion was passed unanimously by roll call vote.

2. Committee Members and Corporation Personnel discussed contract negotiation issues and strategies regarding the T. F. Green Airport FBO Contract and Fuel Farm O&M Agreement.

At approximately 3:13 p.m., a motion was made by Mr. Cianciolo to reconvene to the Open Session. The motion was seconded by Mr. Sangster. The motion was passed unanimously.

Respectfully submitted,

**James C. Forte, Chairman
Rhode Island Airport Corporation**

Operations and Capital Committee